



**HOUSING AUTHORITY
of the County of Los Angeles**

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**Gloria Molina
Mark Ridley-Thomas
Zev Yaroslavsky
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Michael D. Antonovich**
Commissioners

Sean Rogan
Executive Director

October 7, 2014

Honorable Board of Commissioners
Housing Authority of the
County of Los Angeles
383 Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Commissioners:

**ADOPT A RESOLUTION AUTHORIZING THE HOUSING AUTHORITY TO ACCEPT
TRANSFER OF HOUSING FUNCTIONS FROM THE FORMER REDEVELOPMENT
AGENCIES OF THE CITIES OF ARCADIA, AZUSA, AND HUNTINGTON PARK
(DISTRICTS 1, 5) (3 VOTES)**

SUBJECT

This letter recommends that your Board authorize the Housing Authority of the County of Los Angeles (Housing Authority) to accept the transfer of the housing assets and functions of the former redevelopment agencies of the Cities of Arcadia, Azusa, and Huntington Park.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Adopt the attached resolution authorizing the Housing Authority to accept the transfer of the housing assets and functions of the former redevelopment agencies of the Cities of Arcadia, Azusa, and Huntington Park.
2. Find that adoption of this resolution is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the activities are not defined as a project under CEQA.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended action is to transfer the former redevelopment agency housing assets and functions of the Cities of Arcadia, Azusa, and Huntington Park to the Housing Authority. Under the redevelopment dissolution law, if a city does

not elect to retain responsibility for performing its former redevelopment agency's housing functions, the city may transfer such assets and functions to the local housing authority. Relying on the redevelopment dissolution law, the Cities of Arcadia, Azusa, and Huntington Park and their respective Successor Agency Oversight Boards adopted resolutions to transfer their housing assets and functions previously performed by their former redevelopment agencies, to the Housing Authority.

On January 3, 2012, the City Council of the City of Arcadia elected to transfer the former redevelopment agency's housing assets and functions to the Housing Authority, whose jurisdiction includes the City of Arcadia. The State of California Department of Finance (DoF) certified a list of housing assets and functions to be transferred on February 6, 2013.

On July 16, 2012, the City Council of the City of Azusa elected to transfer the former redevelopment agency's housing assets and functions to the Housing Authority, whose jurisdiction includes the City of Azusa. The DoF certified a list of housing assets and functions to be transferred on March 10, 2014.

On July 16, 2012, the City Council of the City of Huntington Park elected to transfer the former redevelopment agency's housing assets and functions to the Housing Authority, whose jurisdiction includes the City of Huntington Park. The DoF certified a list of housing assets and functions to be transferred on July 15, 2013.

Adoption of the attached resolution will allow the transfer of the former redevelopment housing assets and functions of the Cities of Arcadia, Azusa, and Huntington Park to the Housing Authority, identified in Attachment A to the attached resolution.

FISCAL IMPACT/FINANCING

For five years, Housing Authority administrative costs, associated with the transfer of these housing assets and functions, will be paid with funds included in the Arcadia, Azusa, and Huntington Park Successor Agencies' Recognized Obligation Payment Schedule (ROPS) pursuant to California Health and Safety Code (HSC) Section 34171(p)(1). This will provide HACoLA with \$150,000 annually from each of the Arcadia, Azusa, and Huntington Park Successor Agencies until 2018.

The Housing Authority estimates the annual cost of monitoring the multi-family affordable units to be \$118,000. In addition, until the vacant properties are transferred, the Housing Authority estimates it will incur \$107,000 annual maintenance and associated costs. These costs will be covered by the ROPS payments during the five year period.

There is currently no funding provided for administrative expenses beyond the five year period ending fiscal year 2018-19. However, some funds may carry-over into a subsequent year. Moreover, pursuant to County adopted State Legislative Policy

3.14.9, the Housing Authority will continue to seek legislation providing additional funding for administration of transferred housing assets and functions, or authority to transfer these housing assets and functions to the California Department of Housing and Community Development.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On August 20, 2013, your Board adopted a resolution approving the limited transfer of the Alta Street Classics development in Arcadia to address immediate impacts on homeowners living there.

Following approval of the attached resolution pursuant to HSC Section 34176, the Housing Authority will be accepting all rights, powers, duties, and obligations for the remaining housing assets and functions of the former redevelopment agency of the City of Arcadia, as well as all of the housing assets and functions of the former redevelopment agencies of the Cities of Azusa and Huntington Park.

The assets, to be transferred, comprise vacant lots as well as the rights and obligations contained in various agreements entered into, and interests recorded by, the former redevelopment agencies of Arcadia, Azusa, and Huntington Park. After acceptance of the assets and functions, pursuant to HSC Section 34176(c), the Housing Authority will perform related activities pursuant to applicable provisions of community redevelopment law. The resolution also provides the Executive Director authority to effectuate the transfer of the assets and functions to the Housing Authority.

There are a total of 20 vacant lots that Arcadia and Azusa are seeking to transfer to the Housing Authority. Two contiguous lots in the City of Arcadia and 18 assembled for one development in the City of Azusa. These properties will be evaluated for development potential and possible disposition.

There are 130 assisted homeownership units that Azusa and Huntington Park are seeking to transfer to the Housing Authority. These units will require monitoring of 'silent second mortgages' or other forms of assistance that was provided to homebuyers by the former redevelopment agencies of Azusa and Huntington Park. These units will be in addition to the six owner-occupied Alta Street Classics units in Arcadia.

There are a total of 1,169 affordable rental units for which Arcadia, Azusa, and Huntington Park are seeking to transfer monitoring responsibility to the Housing Authority. This will require review of financial statements, residual receipt calculations, and affordability monitoring. Of the 1,169 rental units, 693 are designated as senior housing.

County Counsel has reviewed this matter and concurs with the recommendation that the Housing Authority assume the assets and functions of housing successor agency for Arcadia, Azusa, and Huntington Park.

ENVIRONMENTAL DOCUMENTATION

This action is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3), because it involves administrative activities that will not have a physical impact on or result in any physical changes to the environment. This action is not a project pursuant to the California Environmental Quality Act (CEQA) because it is an activity that is excluded from the definition of a project by Section 15378 (b) of the State CEQA guidelines. The proposed action is an administrative activity of government which will not result in direct or indirect physical change to the environment.

IMPACT ON CURRENT PROGRAMS

Adoption of the resolution will help ensure compliance with provisions of State law governing affordable housing and redevelopment dissolution and avoid disruption in the management and operation of the affected housing assets.

Respectfully submitted,



SEAN ROGAN
Executive Director

SR:CC:dr

Enclosures

RESOLUTION NO. _____

RESOLUTION APPROVING ACCEPTING TRANSFER OF HOUSING ASSETS AND PROGRAMS OF THE FORMER REDEVELOPMENT AGENCIES OF THE CITIES OF ARCADIA, AZUSA, AND HUNTINGTON PARK

WHEREAS, the Housing Authority of the County of Los Angeles ("Housing Authority") exercises jurisdiction throughout Los Angeles County in the form of agreements to administer Section 8 and other affordable housing programs on behalf of and in conjunction with municipalities; and

WHEREAS, the legislation dissolving redevelopment agencies statewide created a process whereby municipalities could elect to transfer the housing assets and functions previously performed by a redevelopment agency and transfer rights, powers, assets, liabilities, duties, and obligations associated with the housing activities of the agency to a local housing authority with territorial jurisdiction of the former agency; and

WHEREAS, on January 3, 2012 the City Council of the City of Arcadia adopted a resolution whereby Arcadia elected not to retain the housing assets and functions previously performed by the former Arcadia redevelopment agency and instead transfer all rights, powers, assets, liabilities, duties, and obligations associated with the housing activities of the agency to the Housing Authority; and

WHEREAS, on February 6, 2013, the California Department of Finance issued a finding that various items named as housing assets and functions by the Arcadia successor agency were eligible for transfer; and

WHEREAS, on July 16, 2012 the City Council of the City of Huntington Park adopted a resolution whereby Huntington Park elected not to retain the housing assets and functions previously performed by the former Arcadia redevelopment agency and instead transfer all rights, powers, assets, liabilities, duties, and obligations associated with the housing activities of the agency to the Housing Authority; and

WHEREAS, on July 15, 2013, the California Department of Finance issued a finding that various items named as housing assets and functions by the City of Huntington Park successor agency were eligible for transfer; and

WHEREAS, on July 16, 2012 the City Council of the City of Azusa adopted a resolution whereby Azusa elected not to retain the housing assets and functions previously performed by the former Azusa redevelopment agency and instead transfer all rights, powers, assets, liabilities, duties, and obligations associated with the housing activities of the agency to the Housing Authority; and

WHEREAS, on March 10, 2014, the California Department of Finance issued a finding that the various items named as housing assets and functions by the Azusa successor agency were eligible for transfer; and

WHEREAS, the housing assets and functions identified as eligible for transfer by the California Department of Finance to Housing Authority from the former municipal redevelopment agencies are listed on ATTACHMENT A.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Commissioners of the Housing Authority of the County of Los Angeles:

1. The Housing Authority agrees to assume authority to take actions, make decisions, and enforce the rights of the former redevelopment agencies of the Cities of Arcadia, Azusa, and Huntington Park with regard to the housing assets and functions identified as eligible for transfer to Housing Authority by the California Department of Finance.
2. Authorizes the Executive Director of the Housing Authority to have documents recorded and take any necessary actions to effectuate the transfer and subsequent administration of the housing assets and functions of the former redevelopment agencies of the Cities of Arcadia, Azusa, and Huntington Park.

APPROVED AND ADOPTED by the Board of Commissioners by the Housing Authority of the County of Los Angeles on this _____ day of _____, 2014.

ATTEST:

SACHI A. HAMAI
Executive Officer- Clerk of the
Commissioners

DON KNABE
Chairman of the Board of
Board of Commissioners

By: _____ By: _____
Deputy

APPROVED AS TO FORM:

RICHARD D. WEISS
Acting County Counsel

By:  _____
Deputy

HOUSING SUCCESSOR ASSETS

CITY OF ARCADIA

Heritage Park

150 West Las Tunas Drive, Arcadia, California

54 Units

Rental – Senior Housing

Covenant Expiration Date: 2058

Developer: USA Properties

Notes: CDC provided HOME funds and currently splits 50% RRs with the Agency.

Campus Commons

16 Campus Drive, Arcadia, California

43 Units

Rental – Senior Housing

Covenant Expiration Date: 55 years (2010-2065)

Developer: Arcadia Campus Commons Associates, LP

Notes: Agency is scheduled to release additional \$3.3 million in January 2015 for permanent conversion. This amount is shown on Agency ROPS and DOF approved.

Lucille Street

15 Lucille Street, Arcadia, California

19 Lucille Street, Arcadia, California

Vacant Land

No pending agreement

Notes: Two parcels. Developer selected but agreement not executed. Entitlements for 9-rental units expired in May 2012.

CITY OF AZUSA

Atlantis Gardens

630 N. Glenfinnan Avenue, Azusa, California
641 N. Glenfinnan Avenue, Azusa, California
629 N. Glenfinnan Avenue, Azusa, California
633 N. Glenfinnan Avenue, Azusa, California
606 N. Glenfinnan Avenue, Azusa, California
627 N. Cedarglen Drive, Azusa, California
601 N. Cedarglen Drive, Azusa, California
628 N. Cedarglen Drive, Azusa, California
615 N. Cedarglen Drive, Azusa, California
601 N. Cedarglen Drive, Azusa, California
627 N. Cedarglen Drive, Azusa, California
630 N. Cedarglen Drive, Azusa, California
627 E. Lime Avenue, Azusa, California
611 E. Lime Avenue, Azusa, California
645 E. Lime Avenue, Azusa, California
600 E. 6th Street, Azusa, California
610 E. 6th Street, Azusa, California
630 E. 6th Street, Azusa, California

Vacant Land

No pending agreement

Notes: 18 vacant parcels.

Azusa Gardens

601 E 8th St

23 Units

Rental

Covenant Expiration Date: 2027

Notes: all assisted

Azusa Villas

200 East Gladstone Ave.

29 Units

Rental – Senior

Covenant Expiration Date: 2023

Notes: all assisted

Azusa Villas

200 East Gladstone Ave.

80 Units

Rental – Senior

Covenant Expiration Date: 2031

Notes: all assisted

CITY OF AZUSA continued

Bowden

605 N. Alameda Avenue

609 N. Alameda Avenue

3 Units

Homeownership

Covenant Expiration Date: 2024

Crestview

801 East Alostia

64 Units

Rental

Covenant Expiration Date: 2015

Notes: all assisted

Foothill Village

713 Angeleno Avenue,

230 Plum Tree Drive

228 Oakview Drive

317 Oakview Drive

201 Oakview Drive

225 Oakview Drive

209 Oakview Drive

229 Oakview Drive

221 Oakview Drive

705 Sunset Avenue

13 Units

Homeownership

Covenant Expiration Date: 2023

Heritage

622 Heritage Court, Azusa, California

645 Heritage Court, Azusa, California

632 Heritage Court, Azusa, California

10 Units

Homeownership

Covenant Expiration Date: 2024

La Paloma

341 Rockvale Avenue

120 Units

Rental

Covenant Expiration Date: 2028

Notes: all assisted

Downpayment Assistance

337 W. Hermitage Court, Azusa, California

416 N. Virginia Avenue, Azusa, California

334 W. Foothill Boulevard, Azusa, California

226 W. 12th Street, Azusa, California

439 S. Orange Avenue, Azusa, California

360 E. 1st Street, Azusa, California

536 E. 6th Street, Azusa, California

7 Units

Homeownership

Covenant Expiration Date: 45 years (various)

CITY OF HUNTINGTON PARK

Seville Gardens

2701 Randolph St

223 Units

Rental – Senior

Covenant Expiration Date: 2029

Notes: 45-assisted

Casa Rita

6508 Rita Ave

103 Units

Rental – Family

Covenant Expiration Date: 2050

Notes: 102-assisted

Rugby Senior Apartments

6330 Rugby Ave

184 Units

Rental – Senior

Covenant Expiration Date: 2050

Notes: 74-assisted

Bissell Apartments

6342-6344 Bissell St

4 Units

Rental - Family

Covenant Expiration Date: 2063

Notes: all assisted

Casa Bonita Apartments

6512 Rugby Ave

80 Units

Rental – Senior

Covenant Expiration Date: 2030

Notes: 22-assisted

New Bissell Apartments

6308-6312 Bissell

7 Units

Rental – Family

Covenant Expiration Date: 2063

Notes: all assisted

CITY OF HUNTINGTON PARK continued

Casa Bella

6902-30 Rita Ave

7 Units

Homeownership

Covenant Expiration Date: 2025

Notes: all assisted

6822 Malabar

10 Units

Rental – Family

Covenant Expiration Date: 2064

Notes: all assisted

6700 & 6614 Middleton Street

12 Units

Rental – Family

Covenant Expiration Date: 2064-65

Notes: all assisted

Rita Court

6900-30 Rita Ave

64 Units

Homeownership

Covenant Expiration Date: Varies

Notes: 39-assisted

Santa Fe Village

17 Units

Homeownership

Covenant Expiration Date: Varies

Notes: 8-assisted

6303 Marconi

1 Unit

Homeownership

Covenant Expiration Date: 2025